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Additional information about the printing of these specialized tax forms can be found in IRS Publications 1141, 1167, 1179, and other IRS resources.

The printed version of the form may be obtained by calling 1-800-TAX-FORM (1-800-829-3676). Be sure to order using the IRS form or publication number.

9494

VOID

CORRECTED

PAYER'S name, street address, city, state, and ZIP code		2004	OMB No. 1545-1517	
PAYER'S Federal identification number	RECIPIENT'S identification number		1 Gross distribution	2 Earnings on excess contributions
RECIPIENT'S name		\$	\$	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.)		3 Distribution code	4 FMV on date of death	
City, state, and ZIP code		5 Medicare+Choice MSA <input type="checkbox"/>	\$	
Account number (optional)				

**Distributions
From an Archer
MSA or
Medicare+Choice
MSA**

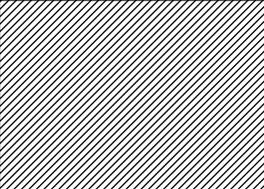
Form **1099-MSA**

Cat. No. 23114L

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code				OMB No. 1545-1517
				2004
		Form 1099-MSA		
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$	2 Earnings on excess contributions \$	
RECIPIENT'S name Street address (including apt. no.) City, state, and ZIP code		3 Distribution code	4 FMV on date of death \$	
		5 Medicare+Choice MSA <input type="checkbox"/>		
Account number (optional)				

**Distributions
From an Archer
MSA or
Medicare+Choice
MSA**

**Copy B
For
Recipient**

This information
is being furnished
to the Internal
Revenue Service.

Form **1099-MSA**

(keep for your records)

Department of the Treasury - Internal Revenue Service

Instructions for Recipient

Distributions from an Archer MSA or Medicare+Choice MSA (M+C MSA) are reported to recipients on Form 1099-MSA. You must file **Form 8853**, Archer MSAs and Long-Term Care Insurance Contracts, with your Form 1040 to report a distribution from an Archer MSA or M+C MSA even if the distribution is not taxable.

The payer is not required to compute the taxable amount of any distribution. An Archer MSA distribution is not taxable if you used it to pay qualified medical expenses of the account holder and family or you rolled it over to another Archer MSA. However, see **Box 2** below. If you did not use the Archer MSA distribution for qualified medical expenses or you did not roll it over, you must include the distribution in your income on Form 8853, and you may owe a 15% penalty.

An M+C MSA distribution is not taxable if you used it to pay qualified medical expenses of the account holder only. However, if you did not use the M+C MSA distribution for qualified medical expenses, you must include the distribution in your income on Form 8853, and you may owe a 50% penalty if you did not maintain a minimum account balance.

For more information, see **Pub. 969**, Medical Savings Accounts (MSAs).

Spouse beneficiary. If you inherited an Archer MSA or M+C MSA because of the death of your spouse, special rules apply. See Form 8853 and its instructions.

Estate beneficiary. If the Archer MSA or M+C MSA account holder dies and the estate is the beneficiary, the fair market value (FMV) of the account on the date of death is includible in the account holder's gross income on the account holder's final income tax return.

Nonspouse beneficiary. If you inherited the Archer MSA or M+C MSA from someone who was not your spouse, you must report as income on your tax return the FMV of the account on the date of death. Report the FMV on your tax return for the year the account owner died even if you received the distribution from the account in a later year. See Form 8853 and its instructions. Any earnings on the account after the date of death (box 1 minus box 4 of Form 1099-MSA) are taxable.

Box 1. Shows the amount received this year. The amount may have been a direct payment to the medical service provider or distributed to you.

Box 2. Shows the earnings on any excess contributions you withdrew from an Archer MSA by the due date of your income tax return. If you withdrew the excess, plus any earnings, by the due date of your income tax return, you must include the earnings in your income in the year you received the distribution even if you used it to pay qualified medical expenses. This amount is included in box 1.

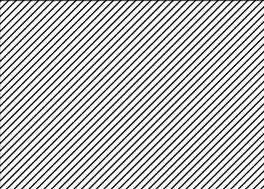
Box 3. These codes identify the distribution you received:

- 1—Normal distribution
- 2—Excess contributions
- 3—Disability
- 4—Death distribution other than code 6
- 5—Prohibited transaction
- 6—Death distribution after year of death to a nonspouse beneficiary

Box 4. If the account holder died, shows the FMV of the account on the date of death.

Box 5. If this box is checked, the distribution was from a Medicare+Choice MSA.

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code			OMB No. 1545-1517
			2004

**Distributions
From an Archer
MSA or
Medicare+Choice
MSA**

PAYER'S Federal identification number	RECIPIENT'S identification number	1 Gross distribution \$	2 Earnings on excess contributions \$
RECIPIENT'S name Street address (including apt. no.) City, state, and ZIP code		3 Distribution code	4 FMV on date of death \$
		5 Medicare+Choice MSA <input type="checkbox"/>	
Account number (optional)			

**Copy C
For
Payer**

For Privacy Act and Paperwork Reduction Act Notice, see the **2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-MSA are the **2004 General Instructions for Forms 1099, 1098, 5498, and W-G**, and the separate specific instructions, **2004 Instructions for Forms 1099-MSA and 5498-MSA**. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, call 1-800-TAX-FORM (1-800-829-3676).

Caution: *Because paper forms are scanned during processing, you cannot file Forms 1096, 1098, 1099, or 5498 that you download and print from the IRS website.*

Due dates. Furnish Copy B of this form to the recipient by January 31, 2005.

File Copy A of this form with the IRS by February 28, 2005. If you file electronically, the due date is March 31, 2005.

